

# THE POWER OF DIGITAL MEDIA

**Connect, Converse, Convince**

**I**n the 21<sup>st</sup> century, crossing the street is an almost deadly affair. Almost everyone is glued to some sort of screen, be it a phone, tablet or even a smartwatch. The idea that we are currently amid a technological

revolution is very real. Consumers' habits are quickly changing, and companies are putting in the extra effort to remain relevant.

Not all is lost, though. Companies should recognise the times we are currently in and capitalise on them. Although it seems like newfound, treacherous territory, the use of digital media is rising and its growth rate shows no sign of abating. If anything, the pace of change looks set to accelerate and explode exponentially. Enterprises which do not follow suit may easily find themselves falling out of tandem with the customer, which is a dangerous place to be in today's increasingly competitive marketplace.

Studies have shown that Singapore has one of the highest smartphone penetration rates in the region with over 80% active Internet users as of



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January 2015.<sup>1</sup> Having said that, many companies still rely on more traditional forms of advertising and marketing. Television commercials, print advertisements in magazines and newspapers, and even radio spots are the perennial favourites, and they continue to be relevant in today's context. As such, digital media should not be viewed as a replacement platform for traditional forms of advertising, but as an extension to it. The vast expansion of the digital audience has led it to become a powerful touchpoint that businesses should not miss out on.

Broadly classified as communication via the Internet and mobile devices, digital media looks set to overtake traditional means of communication in both B2B and B2C industries. Furthermore, the geographical reach of companies transcends the Singapore market with little effort – all plus points for new, or even established, corporations trying to expand their footprint and gain a fresh group of customers.

What is in it for those in the accounting sector? While accountants are not directly responsible for adopting the use of digital media, it is still important to be aware of the growing trend. It is also crucial to be aware of the associated risks in using digital media. Such associated risks include reputational risk, which could have a significant financial impact that may seriously jeopardise the viability of a business.

## SINGAPORE: DEEPLY CONNECTED

There is a reason why companies have loyally stuck by traditional media for decades – it reaches a massive number of people through one sole outlet; hence, the term “mass media”. The loyalty is understandable, but it is vital to note that the media landscape is changing and has taken on a new form.

<sup>1</sup> <http://wearesocial.sg/blog/2015/01/digital-social-mobile-2015/>  
<sup>2</sup> [www.payvision.com/cross-border-ecommerce-singapore-malaysia](http://www.payvision.com/cross-border-ecommerce-singapore-malaysia)  
<sup>3</sup> [www.techinasia.com/qoo10-founder-worked-desert-sea-hated](http://www.techinasia.com/qoo10-founder-worked-desert-sea-hated)  
<sup>4</sup> <http://searchbusinessanalytics.techtarget.com/definition/big-data-analytics>

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We are right smack in the middle of the digital age, and regression is unlikely. Within Singapore itself, 4.45 million people are active Internet users. And among this group of active Internet users, 81% or 3.6 million people have active social media accounts. Relative to our population, these statistics place Singapore first against countries such as Germany, India, Japan and USA.<sup>1</sup> Online spending is also at an all-time high of S\$3.5 billion (based on 2014 estimate extrapolated from PayPal's research<sup>2</sup>). Pure e-commerce players such as Qoo10 generate over US\$15 million in monthly transactions from Singapore alone (as of March 2014).<sup>3</sup> This just goes to show that there is no dearth of consumers. In fact, the healthy figures prove how large a potential audience that businesses are missing out on if they have not jumped on the digital bandwagon.

## A TARGETED, SPECIFIC APPROACH

With digital media, advertising and marketing activities are now highly targeted and specific. Accompanied by careful planning and strategy, companies can more accurately pinpoint the target audience they wish to reach. For example, on Facebook, advertisements are closely linked to information pulled from the profiles of Facebook members. The parameters

can be specified by member location, interests, and even certain browsing behaviours. In addition, the journey from a clicked advertisement to the browsing of products, to an eventual purchase, can be captured, analysed and optimised.

Another example is Duke-NUS Medical School. If it were to source for qualified candidates in the traditional sense, it would involve procuring deals with traditional media outlets like newspapers, radio stations, magazines and television networks. This would typically involve being physically present in those countries to organise events, and personally manage the networking that occurs.

However, the school had opted for search engine advertising. Search engine advertising is one of the most reliable ways of gathering justifiable



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data as it leverages on pushing advertisements to consumers who are doing an online search for something relevant or close to what you are offering. This effectively ensures that your advertisement reaches the right target market directly. It is a cost-effective tool that can be harnessed for individual advantage, and the customisation of the advertising options available makes it an attractive option. Moreover, present buyers have a more dispersed than direct approach to their online activity. Hence, it is also pertinent to understand the search cycles that consumers go through when doing an online search. This enables a strategised approach to be employed, increasing your engagement with and the potential impact of your marketing or advertising campaign on the consumer.

In Duke-NUS' case, users all over the world who are doing an online search for medical schools in Asia can become their prospective candidates. This makes digital media a more efficacious touchpoint. Moreover, these users can be identified via the relevant sites they visit, the type of content they are interested in, or even whether they have downloaded the school's information booklet. The list simply goes on, showcasing digital media's broad reach, which if strategically used, can yield massive benefits.

Big data analysis, for example, is one of these benefits. With the use of digital marketing, there will be input of data from numerous data streams, creating a wealth of knowledge that can be harnessed to learn more about the consumers a company is dealing with. These operational findings can

lead to improved business efficacy, better customer service, and a score of operational advantages over its rivals.<sup>4</sup> Media channels like YouTube are game-changers in the field of digital advertising. Brands have been supplementing videos that are typically more inspirational, humorous, or thought-provoking. They rely on storytelling, which creates a larger impact on the audience – much more than television advertising has ever done. Since the advertisements are 30 seconds to about a minute long, the audience's attention is held throughout the advertisement rather than only in the first 10 seconds, which typically occurs with traditional media. Apart from having their full attention, the storytelling is more direct, as there is limited time to work with. As a result of these methods, the advertisement



gets a larger number of shares on the numerous social media platforms available today, spreading brand awareness and increasing digital visibility at the same time. This lends itself to higher brand recall, which directly co-relates to a higher sale conversion rate. In a more intangible way, high brand awareness also increases the brand value and builds a more reliable consumer base.

Another case in point is Scoot, a Singapore-owned budget airline. Scoot's strong digital presence and marketing campaigns on social media platforms have achieved great publicity and built for the carrier a strong online brand personality. The positive result of its foray into the digital sphere is a strong indicator and testament to the power of harnessing digital media. While there had been instances where campaigns have drawn flak, quick thinking and a strong customer recovery process have resulted in them turning the tables to their advantage.

## TAKING THE FIRST STEP

Parallel to the evolving media landscape, a Chief Financial Officer (CFO)'s role has expanded from his/her core focus on controls, budgeting and reporting to a broad leadership role responsible for charting the company's growth agenda. CFOs as well as accountants should view investment in digital media as an extension of their current budget for advertising and marketing, if they have not already done so. It would be greatly detrimental and a potential loss to a company if its target markets are "landing" on its competitors' sites instead. Simply put, the lack of or almost no online presence could result in a decrease of market share on digital platforms, with the resultant dampener on potential shareholders or investors.

To lower the perceived risk of investing in digital media, engaging a professional or looking at big data analytics is a good starting point. Owning your own big data may also



be another avenue for companies to make more focused and targeted marketing efforts. It is a great tool in aiding the decision-making process, particularly with regard to specific media channels, user behaviour, etc. It is also vital for companies to develop a structured approach and strategy so as to better maximise returns on digital media investments.

## PREPARING FOR LAUNCH

Before embarking on a digital media-oriented approach, companies should consider all available channels through which they can reach out to their target audience effectively. Thorough research would be needed on who exactly their target audience is, and the possible ways to effectively reach them. The online and physical geographical location would also be something to consider, but less so when compared to traditional media.

In terms of branding, companies should ensure a consistent brand experience throughout the process

that their customers or stakeholders go through. Modern consumers are constantly assaulted by a barrage of information online, so ensuring a positive overall brand experience is crucial. A cost-benefit analysis would also be a logical step to take, as it would be concrete justification for the significant investment put into digital media.

There is no set budget for spending on digital media as it is highly dependent on a company's present goals, as well as the techniques it employs. It goes without saying that every company should have a set of targets it wishes to fulfil by using digital media.

While most digital media platforms can be accessed by the clients directly, companies should engage consultants who are able to put their business in perspective and provide a "360-degree" strategy. The expenditure and business goals must be aligned or stakeholders may fail to see returns – not necessarily because the digital media approach



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did not work but perhaps the approach was wrong or expectations were not aligned for readily-visible success.

It is vital to note that there is no one best measure of digital media success, although linking it to overall return on investment (ROI) would be a common way to do so. For certain channels or campaigns, the cost per acquisition is important; for others, the unique reach/impression is more, or at least equally, so. Ultimately, it very much depends on the company's goals.

### **BEWARE THE PITFALLS**

Digital media, with its numerous benefits and success stories, is not a bed of roses. Unlike traditional media, conversation is now more multi-directional than ever before. Television and newspaper advertisements tend to deliver a singular fixed message. This is no longer the case as in the digital space, multiple conversations take place simultaneously, which means that your target market does not only hear your message, it hears all the

messages coming from a multitude of sources. This "uncontrollability" makes it virtually impossible for companies to stop disgruntled consumers from making disparaging remarks that spread quickly, or flaming your brand online. Despite the uncontrollability, it is better to be in the know than to be ignorant. A recent example would be BreadTalk, which created a bun in memory of the late Lee Kuan Yew, Singapore's first prime minister. The poor timing and pun used to promote the bun resulted in a massive backlash both online and offline. A staggering number of bad comments were posted on the confectionary's Facebook page and images of their bun went viral. To make restitution, BreadTalk quickly deleted its original post and issued an official apology.

Reputational risk is also at stake when we look at the recent saga among the three major telecommunication service providers in Singapore. Singtel ran into trouble when it engaged

Gushcloud, an online influencer agency, to run a social media campaign. An internal brief from Gushcloud to its influencers was later leaked online, and it emerged that the campaign involved discrediting Singtel's competitors. As a result, both M1 and StarHub took the issue up with the Information Development Authority of Singapore.

### **CONCLUSION**

In a nutshell, digital media is definitely worth venturing into as a long-term investment. It is a potent tool with personalised and targeted communication that is being developed by the day. Its delivery is highly attuned to individual consumers due to the growth in the usage and adoption of digital media, as well as wearable technology like Google Glass and iWatch. It is high time to recognise that digital media is indeed changing the way we understand people and our customers, as well as how people consume content, communicate, and access products and services. To keep abreast of the changing media landscape, CFOs and accountants alike should understand the power digital media has, as well as the associated risks, but they should definitely not shy away from it. *ISCA*

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